

## BREAKOUT 1: USING RECS FOR PROJECT FINANCING

Challenges/Issues	Priority ( <u>high</u> , <u>medium</u> or <u>low</u> impact; <u>complex</u> , <u>medium</u> or <u>easy</u> solution)	Possible solutions	What specific action(s) needed?	What role can DOE play?
<b>A. Lack of long-term contracts or forward market for RECs</b>				
<ul style="list-style-type: none"> <li>○ Uncertainty about load</li> <li>○ Uncertainty about cost recovery of RECs</li> <li>○ Possibility of policy changes</li> <li>○ Eligibility and other design elements limit fungibility between markets</li> </ul>				
<b>B. Lack of price transparency in short-term and long-term REC markets</b>				
<ul style="list-style-type: none"> <li>○ Dominance of bilateral contracts</li> <li>○ Confidentiality concerns</li> <li>○ Currently not required by tracking systems</li> <li>○ Limited REC price history, except for NJ SRECs</li> </ul>				
<b>C. Uncertainty in future REC prices</b>				
<ul style="list-style-type: none"> <li>○ Unpredictable changes in state policies</li> <li>○ Fragmented regional REC markets</li> <li>○ Imbalance in supply &amp; demand</li> </ul>				
<b>D. Difficulty tracking RECs (multiple markets, coverage)</b>				
<ul style="list-style-type: none"> <li>○ RPS design differences between states</li> <li>○ Differences in tracking system capabilities</li> <li>○ Lack of RPS, voluntary market, or tracking system in some regions</li> </ul>				
<b>E. Other</b>				

## BREAKOUT 2: HARMONIZING REC PROGRAMS AND TRACKING SYSTEMS TO FACILITATE REGIONAL/NATIONAL MARKETS

Challenges/Issues	Priority ( <u>high</u> , <u>medium</u> or <u>low</u> impact; <u>complex</u> , <u>medium</u> or <u>easy</u> solution)	Possible solutions	What specific action(s) needed?	What role can DOE play?
<b>A. Lack of consistency in renewable eligibility</b>				
<ul style="list-style-type: none"> <li>○ Different treatment of digesters, fuel cells, etc.</li> <li>○ Fragmented REC markets for hydro and biomass</li> </ul>				
<b>B. Lack of consistency in treatment of out-of-state generation</b>				
<ul style="list-style-type: none"> <li>○ Electricity delivery requirements and geographic eligibility differ</li> <li>○ Multiple approaches to encourage in-state or in-region generation</li> </ul>				
<b>C. Lack of consistency in REC trading and compliance rules</b>				
<ul style="list-style-type: none"> <li>○ Differences in banking &amp; settlement periods</li> <li>○ Inconsistencies in emission tracking/inclusion in RECs</li> </ul>				
<b>D. REC tracking systems lack sufficient functionality to transfer RECs among regions</b>				
<ul style="list-style-type: none"> <li>○ Difficult to track fate of emissions attributes</li> <li>○ Settlement differs (e.g., quarterly vs. annual)</li> </ul>				
<b>E. Holes in existing REC tracking systems</b>				
<ul style="list-style-type: none"> <li>○ REC tracking systems do not yet exist everywhere, e.g. Southeast</li> </ul>				
<b>F. Other</b>				